



Aged Care Legislation Amendment (Financial Reporting) Principles 2017

I, Ken Wyatt AM, Minister for Aged Care, make the following principles.

Dated 29 August 2017

Ken Wyatt AM
Minister for Aged Care

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1 Name

This instrument is the *Aged Care Legislation Amendment (Financial Reporting) Principles 2017*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	13 September 2017

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Aged Care Act 1997*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Part 1—Amendments

Accountability Principles 2014

1 Section 4 (after the heading)

Insert:

Note: A number of expressions used in these principles are defined in the Act, including the following:

- (a) approved provider;
- (b) flexible care;
- (c) home care;
- (d) reportable assault;
- (e) residential care.

2 Section 4

Insert:

aged care financial report, for a financial year for an approved provider, means the report required by section 35.

Australian accounting standards means the accounting standards in force under section 334 of the *Corporations Act 2001*.

Note: In 2017, the Australian accounting standards were accessible at <http://www.aasb.gov.au>.

3 Section 4 (definition of *financial year*)

Repeal the definition, substitute:

financial year, for an approved provider, has the meaning given by subsection 32(1).

4 Section 4

Insert:

general purpose financial report, for a financial year for an approved provider, means a report prepared by the provider as required by section 35A.

short-term restorative care has the meaning given by section 106A of the *Subsidy Principles 2014*.

Statement of Accounting Concepts SAC 1 means the *Statement of Accounting Concepts SAC 1 “Definition of the Reporting Entity”*, issued by the Australian Accounting Research Foundation and the Accounting Standards Review Board, as existing at the commencement of the *Aged Care Legislation Amendment (Financial Reporting) Principles 2017*.

Note: In 2017, the Statement of Accounting Concepts SAC 1 was accessible at <http://www.aasb.gov.au>.

5 Section 4 (note)

Repeal the note.

6 Part 3 (heading)

Repeal the heading, substitute:

Part 3—Information to be given to Secretary

7 Paragraph 24(a)

Omit “or the Minister”.

8 Sections 26 and 27

Repeal the sections.

9 Part 4 (heading)

Repeal the heading, substitute:

Part 4—Aged care financial report

10 Paragraphs 31(a) and (b)

Repeal the paragraphs, substitute:

- (a) specifies financial reporting responsibilities of approved providers described in any of paragraphs 31A(a), (b) and (c); and
- (b) provides for the period that is a financial year for those approved providers.

11 After section 31

Insert:

31A Application of this Part

This Part applies to an approved provider if the approved provider is:

- (a) an approved provider of a residential care service; or
- (b) an approved provider of a home care service; or
- (c) an approved provider of a flexible care service through which short-term restorative care is provided.

12 Subsections 32(1) and (2)

Omit “of a residential care service, or a home care service,”.

13 Subsection 32(4)

Omit “, 3 or 4 (as the case requires)”.

14 Division 2 of Part 4 (heading)

Repeal the heading, substitute:

Division 2—Responsibilities of approved providers

15 Section 34

Omit all the words after “of an approved provider”.

16 Section 35

Repeal the section, substitute:

35 Aged care financial reports—general

- (1) An approved provider must prepare in accordance with this section a report for a financial year for the approved provider (the *aged care financial report*).

Note: The aged care financial report prepared by an approved provider that provides services mentioned in 2 or more subsections of this section must be prepared in accordance with each of those subsections.

Aged care financial report to be signed by authorised key personnel

- (2) The aged care financial report must be signed by one of the approved provider's key personnel who is authorised by the provider to sign the report.

Residential care services—providers generally

- (3) If the approved provider is an approved provider of one or more residential care services, the aged care financial report must include information about the matters mentioned in paragraphs 63-2(2)(ca), (cb), (d) and (f) of the Act, in a form approved by the Secretary.

Note 1: This information is information that the Minister needs to prepare a report under section 63-2 of the Act.

Note 2: The aged care financial report of an approved provider of a residential care service must also include the approved provider's annual prudential compliance statement required to be given under section 51 of the *Fees and Payments Principles 2014* (No. 2)—see paragraph 51(2)(d) of those principles.

Residential care services—non-government providers

- (4) If the approved provider is an approved provider of one or more residential care services, and is not a State, a Territory, an authority of a State or Territory or a local government authority, the aged care financial report must:
- (a) be in a form approved by the Secretary (subject to subsection (5)); and
 - (b) be accompanied by a copy of each general purpose financial report relating to any of those services for the approved provider for the financial year that has been audited in accordance with section 36; and
 - (c) be accompanied by a copy of each audit opinion obtained in accordance with section 36 about such a general purpose financial report.

- (5) The information required by the form about a residential care service need not be included in the aged care financial report if that information is included in one of those general purpose financial reports.

Residential care services—government providers

- (6) If the approved provider is an approved provider of one or more residential care services, and is a State, a Territory, an authority of a State or Territory or a local government authority, the aged care financial report must include a financial report relating to those services for the financial year, in a form approved by the Secretary.

Home care services

- (7) If the approved provider is an approved provider of one or more home care services, the aged care financial report must include a financial report relating to those services for the financial year, in a form approved by the Secretary.

Flexible care services involving short-term restorative care

- (8) If the approved provider is an approved provider of one or more flexible care services through which the approved provider provides short-term restorative care, the aged care financial report must include a financial report relating to those services for the financial year, in a form approved by the Secretary.

35A General purpose financial reports for non-government approved providers of residential care services

- (1) An approved provider mentioned in subsection 35(4) must prepare in accordance with this section one or more reports for a financial year for the approved provider (each of which is a **general purpose financial report**). Together those reports must deal with all the residential care services provided by the provider in the financial year (whether or not any of those reports also deals with other matters).
- (2) Each general purpose financial report must:
- (a) be a general purpose financial report within the meaning given by section 6 of the Statement of Accounting Concepts SAC 1; and
 - (b) be in accordance with the Australian accounting standards in force at the time the report is prepared; and
 - (c) give a true and fair view of the financial position and performance of the approved provider for the financial year in relation to one or more residential care services provided by the provider during the financial year (whether or not the report also deals with other matters); and
 - (d) be written as if the approved provider were, so far as it provided those services, a distinct reporting entity within the meaning of the Statement of Accounting Concepts SAC 1.
- (3) If a general purpose financial report deals with a matter other than a residential care service provided by the provider in the financial year, the report must be prepared as if the residential care provided through the residential care services it relates to were a reportable segment for the purposes of the Australian accounting standards relating to segment reporting in force at the time the report is prepared.
- (4) Despite subsections (2) and (3), if all the information about a residential care service that is required by the form mentioned in paragraph 35(4)(a) is included in the approved provider's aged care financial report for the financial year, none of that information need be included in a general purpose financial report of the approved provider for the financial year.

Note: The general purpose financial report must accompany the aged care financial report when it is given to the Secretary—see paragraph 35(4)(b) (and section 37 for giving the aged care financial report to the Secretary).

17 Section 36 (heading)

Repeal the heading, substitute:

36 Auditing of general purpose financial reports—non-government approved providers

18 Subsection 36(1)

Omit all the words before paragraph (a), substitute:

- (1) An approved provider that prepared a general purpose financial report must have it audited by:

19 Subsection 36(2)

Repeal the subsection, substitute:

- (2) The approved provider must obtain an audit opinion about the general purpose financial report from a registered company auditor or a person approved under subsection (3) that includes a statement as to whether the report complies with paragraphs 35A(2)(b) and (c).

20 Subsection 36(3)

Omit “financial report prepared under section 35”, substitute “general purpose financial report”.

21 At the end of section 36

Add:

- (4) The Secretary may revoke an approval of a person under subsection (3) if the Secretary is satisfied that the person is no longer a fit and proper person to audit a general purpose financial report.
- (5) A decision under subsection (4) is a decision reviewable under section 85-1 of the Act.
- (6) Part 6.1 of the Act applies to a reviewable decision mentioned in subsection (5) as if a reference in that Part to this Act included a reference to these principles.

22 Section 37

Repeal the section, substitute:

37 Provision of aged care financial report to Secretary—general

An approved provider must give the aged care financial report for a financial year for the approved provider to the Secretary within 4 months after the end of the financial year.

37A Provision of general purpose financial report to care recipients etc. by non-government approved providers

An approved provider must give a copy of its most recently audited general purpose financial report relating to a residential care service to each person who asks for a copy and is:

- (a) a care recipient of the residential care service; or
- (b) approved as a recipient of residential care and considering receiving residential care through the residential care service; or
- (c) a representative of a person covered by paragraph (a) or (b).

23 Section 38

Omit “a residential”, substitute “an aged”.

24 Section 38

Omit “sections 35, 36 and 37”, substitute “this Division”.

25 Divisions 3 and 4 of Part 4

Repeal the Divisions.

Fees and Payments Principles 2014 (No. 2)

26 Section 4

Insert:

aged care financial report, for a financial year for an approved provider, has the same meaning as in the *Accountability Principles 2014*.

27 Section 4 (definition of *annual prudential compliance statement*)

Repeal the definition, substitute:

annual prudential compliance statement, for a financial year for an approved provider, means the statement required by section 51.

28 Subsection 51(1)

Omit all the words before paragraph (a), substitute:

- (1) An approved provider must give the Secretary a statement (the *annual prudential compliance statement*) for a financial year for the approved provider that includes the following:

29 Subsection 51(2)

Repeal the subsection, substitute:

- (2) An annual prudential compliance statement for a financial year for an approved provider must:
 - (a) be in writing; and
 - (b) be in a form approved by the Secretary; and
 - (c) not contain false or misleading information; and
 - (d) if the approved provider is required to prepare an aged care financial report for the financial year—be included in the aged care financial report for the approved provider for the financial year; and
 - (e) if paragraph (d) does not apply to the approved provider:
 - (i) be signed by a person who is one of the approved provider’s key personnel and is authorised by the approved provider to sign the statement; and
 - (ii) be given to the Secretary within 4 months after the end of the financial year for the approved provider.

Part 2—Application provisions

Accountability Principles 2014

30 In the appropriate position

Insert:

Part 8—Application, transitional and savings provisions

54 Application—amendments made by the *Aged Care Legislation Amendment (Financial Reporting) Principles 2017*

The amendments of these principles made by Part 1 of Schedule 1 to the *Aged Care Legislation Amendment (Financial Reporting) Principles 2017* apply to a financial year for an approved provider that begins on or after 1 July 2016.

55 Transitional—approvals of auditors

An approval of a person that was in force under subsection 36(3) immediately before the commencement of the amendment of that subsection by the *Aged Care Legislation Amendment (Financial Reporting) Principles 2017* continues in force on and after that commencement as if it had been given under that subsection as amended by those principles.

Fees and Payments Principles 2014 (No. 2)

31 In the appropriate position

Insert:

Part 9—Application, transitional and savings provisions

77 Application—amendments made by the *Aged Care Legislation Amendment (Financial Reporting) Principles 2017*

The amendments of these principles made by Part 1 of Schedule 1 to the *Aged Care Legislation Amendment (Financial Reporting) Principles 2017* apply to a financial year for an approved provider that begins on or after 1 July 2016.